

10-239

JAN 1958

MEMORANDUM FOR: The Honorable Robert B. Anderson
The Secretary of the Treasury

SUBJECT: Soviet Gold Sales, and French
Constitutional Reforms

1. With reference to your question on where Soviet gold was sold in Free World markets, and what prices were paid, we have detailed information only on those sales made in the early months of 1957. No Soviet gold sales are known to have been made between April and September. Sales in quantity were resumed in late October and details of these year-end sales will probably be available in the next few weeks. The sales were made in London, Zurich and Paris markets, with considerably more than half being sold in London. Prices obtained were world market prices prevailing at the time of sale and, according to information presently available, payment was in US dollars in most cases. A small amount was sold

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2. Premier Gaillard's effort to amend the 1946 French constitution to strengthen the executive over the legislature focuses initially on four articles.

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Article 17: Legislative initiation of expenditures. The proposed amendment would limit to the government the right to propose any measure involving expenditure of money or reduction in receipts.

Articles 49 and 50: Votes of confidence and censure. The proposed amendment would replace the vote of confidence by a vote of censure. Under the present system the government must resign if over 50 percent of all the deputies vote against it on a formal demand for confidence. The proposed vote of censure would also have to be adopted by an absolute majority and would specify the reasons for withdrawal of confidence and propose the name of the next premier--a point the opposition frequently cannot agree on.

Article 51: Dissolution of the Assembly. Gaillard would give the premier the right to dissolve the Assembly after the first 18 months of the legislature, provided he has not been overthrown by a vote of censure; in case of governmental crisis the President of the Republic could dissolve the Assembly without Senate concurrence. The constitution does not now permit the Assembly to be dissolved unless two governments are overthrown within a specified 18-month period, which does not commence till the legislature has sat for an initial 18 months.

~~SECRET~~

Caillaud's complete constitutional reform program envisages modification of Title VIII (the articles concerning the French Union) and Article 90, which specifies the procedure for amending the constitution. He is linking his proposed constitutional reforms to projected reforms in the electoral system. A "round-table" committee to study and propose amendments to Title VIII is scheduled to begin work soon.

SIGNED
ALLEN W. DULLES
Director

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OCI/ [] :hs: (15 Jan 58)

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